PREPARED STATEMENT OF

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"Life in the Big City: What is Census Data Telling Us About Urban America?
Are Policy Makers Really Listening?"

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Good morning. I want to thank Chairman Turner, Ranking Member Clay, and the Subcommittee on Federalism and the Census for the opportunity to discuss the wealth of information the Census Bureau provides to inform policy discussions and decision-making in urban America. The Census Bureau provides comprehensive and in-depth statistics for cities and communities throughout the United States. This morning I will discuss the range of demographic and economic information available from the Decennial Census, the Economic Census, and highlight some of the other surveys we collect. In addition, I would like to focus on a proposed new initiative, the Longitudinal Employer-Household Dynamics (LEHD) program. LEHD provides a new source of economic information for local communities, including urban areas, indicating where the jobs are, what industries are growing, and where workers can go to find jobs.

The Decennial and Economic Censuses
The *2010 Decennial Census Program* includes the *2010 Census*, which is a census of population, and the *American Community Survey;* and it is the foundation for the nation's data infrastructure and the principal denominator for our population statistics. The 2010 Census is the great national catalogue of the population collected every 10 years. The American Community Survey complements the 2010 Census and provides detailed information annually about the socio-demographic characteristics of the population.

The Decennial Census is the only consistent, comprehensive, detailed source of information for small geographies throughout the United States. It includes every neighborhood, every street, and every household. It is, therefore, a crucial element in urban planning. The 2010 Census will provide population totals and key demographic information, such as race, Hispanic origin, and age, not only for every city in the United States, but also for every census tract and census block. Census tracts are the building blocks in creating data for neighborhoods, community districts, wards, and precincts, as well as land use and

other planning areas. Small area data are important for social services planning, because they enable planners and political leaders to establish services in the locations where they are needed, rather than out of the way locations.

In New York City, for instance, there are 59 community districts, with populations ranging from 35,000 to 200,000, comprised of hundreds of neighborhoods and thousands of census tracts. The City of New York established community districts to illustrate the diversity of the city's land uses and population, and to function as key planning districts. They use data from the census to show population size and diversity. The American Community Survey will show important details such as educational attainment, income levels, and other population characteristics. The city combines other data, such as public and private schools, parks, public safety, health and other social service facilities, to support planning efforts to reach the needs of residents.

Data from the Decennial Census are used to detect potential opportunities for social and economic development, especially in urban areas. These data are a rich, consistent source of information that may be used with many other sources of information, including the Economic Census.   The Economic Census shows the number of businesses, employment, and sales for businesses at the state, county, city, and often ZIP-code level.

The Economic Census is conducted every five years, for years ending in '2 and '7. We are currently disseminating information from the most recent census, the 2002 Economic Census. The Economic Census catalogues the nation's economy by collecting business information, including the number of employees, payroll, receipts, and product line revenues. The Economic Census is a detailed profile of the U.S. economy — from the national level to the local level, and from one industry to another industry. The Economic Census provides information on over 23 million businesses and 96 percent of the nation's economic activity, including data for over 1000 different industries, including 8000 manufactured products and 3000 merchandise, commodity and service lines. These data inform economic and financial decisions in the private sector, as well as the federal, state, and local levels.

By using data from both the Economic Census and the Decennial Census, an entrepreneur, business owner, or municipal government can provide a profile with rich detail to encourage investors. The Economic Census indicates number of employees and annual sales by industry. Data from the Decennial Census can be used to create a profile of potential customers or workers. For someone in Dayton looking to open a new grocery store or restaurant in a neighborhood such as Wolf Creek or Walnut Hills, the Decennial Census would be helpful in determining how much of the potential customer base has children, their household income, and the number of housing units in their neighborhood.

Census Bureau Surveys
In addition to the Decennial and Economic Censuses, the Census Bureau also collects other data, providing information about a range of topics, from public finances to housing conditions. Data from these censuses and surveys inform policy decisions not only at the federal level, but also state and municipal levels. For instance, the *Census of Governments*, which coincides with the Economic Census (and is, therefore, also collected in years ending in '2 and '7), provides information describing all units of government in the United States, including states, counties, municipalities, townships, and other special use governmental units, such as school districts and land use districts. In 2002, there were more than 87,000 local governments, of which 38,000 were "general purpose" local governments, including approximately 19,000 municipal governments. Of these municipal governments, about 575 had populations of 50,000 people or more, accounting for the majority of the United States population.

The Census of Governments provides data on government organizations, finances, and employment. Organization data include location, type, and characteristics of local governments and officials. Finances and employment data include revenue, expenditure, debt, assets, employees, payroll, and benefits. Local governments, including urban planners, use these data to develop programs and budgets; assess financial conditions; and perform comparative analyses, which are often important indices of progress and potential needs. In addition, analysts, economists, and market specialists, including the Federal Reserve Board and the Bureau of Economic Analysis, also use data from the Census of Governments to measure the changing characteristics of the government sector of the economy.

Another survey that is useful for government-to-government comparisons and trend analyses, is the *Local Government School System Finance Survey*. This survey provides statistics about the finances of local elementary and secondary public school systems, and is partially funded by the National Center for Education Statistics. The survey provides current and comprehensive statistics on the financing of public elementary and secondary education in the United States, and helps determine whether funding systems have become more equitable over time. One of the most important pieces of information provided by the Local Government School System Finance Survey is a snapshot of school revenue sources by source: local property tax, monies from other school systems, private tuition and transportation payments, school lunch charges, and direct state aid, as well as federal aid passed through state governments. This includes data about Title 1, Children with Disabilities, and Impact Aid programs. The survey also provides data on expenditures by function (instruction, support services, salaries, and capital outlay), indebtedness, and cash and investments. These data are used by many federal agencies to perform program analyses, and they are especially useful to local governments for intra- and interstate comparison analyses.

A third survey, that is also very useful to urban areas, is the *American Housing Survey*, sponsored with the U.S. Department of Housing and Urban Development, which asks questions about the quality of housing in the United States. This survey comprises a national survey and a metropolitan area survey. The metropolitan area survey consists of 47 metropolitan areas, including Cleveland, Ohio. We conduct interviews in these areas every six years, and each area is represented by a sample of at least 3,200 housing units that are selected from the Decennial Census. The survey asks questions to update the data on the approximate number of housing units in the United States, including occupied, vacant, and seasonal housing; family composition; the median value of owner-occupied homes; the number of renter-occupied homes and the median monthly costs of renter-occupied homes; and general information about housing conditions, including information about heating and cooling systems, plumbing, and neighborhood conditions. Policy makers use the survey data to analyze mortgage rates, rent control policies, and other housing related issues.

The Census Bureau collects many surveys used by urban policy makers and planners to assess essential questions of progress about their areas. With these surveys, cities can assess their performance in key policy areas, such as housing and education, against other cities, their state, as well as the nation. However, we also know that city planners are facing increasing demands for more timely data to respond to rapidly changing needs. One of the key tasks of a 21st century statistical agency is to provide data that describe these rapidly changing needs.

Longitudinal Employer-Household Dynamics Program
The *Longitudinal Employer-Household Dynamics* program, or LEHD as we refer to it, is the next generation
of data collection and dissemination for the Census Bureau. LEHD will help cities and communities as
they confront 21ˢᵗ century economic and social needs, and the need to adapt quickly to a dynamic and
ever-changing environment.   LEHD is based on a voluntary partnership between state Labor Market
Information agencies and the federal government. Currently, 38 states have entered into partnerships
with the Census Bureau. The Census Bureau is not only working with the states, but also federal
agencies, most notably the US Department of Labor's Employment and Training Administration (ETA)
and the Bureau of Labor Statistics. Without such cooperation we would not be able to report on our
successes to date.

The states supply administrative records, their quarterly unemployment insurance (UI) wage records and
business establishment records. The Census Bureau merges these records with demographic data to
produce key labor market measures such as employment, hiring, separations, job gains and losses,
turnover, and earnings over time, by industry, age, gender, and county. These *Quarterly Workforce
Indicators* measure the performance of the local economy. The Quarterly Workforce Indicators can tell us
where jobs are, for what kind of workers, how much workers can expect to earn and what employers
expect to pay them. (See Appendix 1.)

LEHD is designed to develop new information about local labor market conditions at low cost, with no
added respondent burden. Section 6 of Title 13, the Census Act, instructs the Census Bureau to acquire
data from other sources "to the maximum extent possible…instead of conducting direct inquiries."
LEHD is not only in accordance with the spirit of the law, it is extraordinarily cost-effective because it
leverages an existing investment in federal and state data. The core data assets — universal state UI wage
records and business data, covering approximately 97.5 percent of the non-farm private sector
employment — are provided without cost to the Census Bureau. Moreover, the Census Bureau goes to
great lengths to protect the integrity and confidentiality of the data. All administrative records are
brought to a restricted area and the individual identifying information is removed. While the LEHD data
products cannot be used to identify individuals, households, or businesses, they will provide a powerful
planning tool for employers, Workforce Investment Boards, decision makers, training institutions, and
even job seekers.
> *Employers and Workforce Investment Boards can use the data to answer common questions—such as*
- What are the local high growth and high demand industries?
- Where are the workers in my industry and county?
- How much workers, both newly hired and those already on the job, get paid?
- How does the turnover for other firms for a particular industry compare to the turnover in a
  particular location?

> *Decision makers can use the data to:*
- Identify the most promising local industry targets for helping older displaced workers to find
  new jobs at desired earnings levels;
- Identify stable concentrations of firms that are hiring and might benefit from technical assistance
  from the One Stop Career Centers; and,
- Provide new evidence of emerging trends and turning points in previously stable trends—such
  as identifying changes in hiring patterns in the health care services sector or job creation in a new
  area of retail trade or job losses in an industry being impacted by off-shoring.

Educational and training institutions, as well as job seekers can:
- Examine earnings for new and incumbent workers in different industries;
- Identify growth industries with stable jobs; and,
- See which types of businesses are hiring workers of their age, what they are paying, and apparent growth trends.

In addition to the Quarterly Workforce Indicators and other local labor market information, the Census Bureau is working with several states as it develops a pilot Local Labor Market Mapping program. This is a reimbursable project currently funded by ETA for 12 states. The mapping tool will show the geographic distribution of workers and employers in a particular area, including areas of cities and towns. It will show where workers live, workplace destinations, transit corridors, schools and childcare centers, and how different industries are represented within a particular location. The mapping tool can help show whether access to transit affects where workers live and work and how different employment areas compare in terms of the industries represented. Each map is accompanied by a profile report that provides the supporting data to augment the information provided on the map. (See Appendix 2.)

A picture is worth a thousand words, and these maps are a powerful planning asset that can literally show the relationship between jobs and workers; the need for better transportation routes; and many other facets of a rapidly changing economy. The mapping tool, along with the Quarterly Workforce Indicators and other local workforce information from LEHD, supports a range of policy and decision-making needs as no other data product has. Workforce Investment Boards, local planners, federal agencies, and other analysts are using LEHD data to determine how local economies are being redirected and reinvented, and how the local workforce is responding to these changes.

The LEHD program will provide accurate and timely data that will empower local decision-making, and improve the quality of services and opportunities for millions of Americans. Moreover, we believe the LEHD can augment and complement other data collection activities, such as the American Community Survey. LEHD data support the socio-demographic information from the American Community Survey with data on recent trends and patterns, highlight the interaction of multiple factors such as labor market and transportation, and can illustrate how rapidly a local economy is changing. LEHD can make an important difference to our understanding not only of local workforce dynamics, but also the nation's economy.

Thank you and I would be pleased to answer your questions.